



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 18, 1999
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

NEW JERSEY BROKER OF ADVERTISING AND DISPLAY MATERIALS CHARGED IN CONTRACT ALLOCATION CONSPIRACY

WASHINGTON, D.C. -- A New Jersey broker of advertising and display materials was charged today with participating in a conspiracy to allocate contracts for the supply of advertising and display materials awarded by an alcoholic beverage distributor, said the Department of Justice.

In a one-count information, filed today in U.S. District Court in Manhattan, Alan Diamond of North Bergen, New Jersey, was charged with conspiring with other vendors to make payments to Irwin Englander, purchasing agent of Hiram Walker & Sons, Inc., in exchange for Englander's assistance in allocating contracts among himself and the other vendors. The conspiracy lasted from January 1992 until February 1994. The payments made by Diamond and the other vendors protected their companies from competition from other potential suppliers. In January 1997, Englander pleaded guilty to participating in a conspiracy to commit mail fraud and is awaiting sentencing.

"The payments made to Englander were the functional equivalent of an insurance premium," said Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division. "The co-conspirators sought to guard against the 'risk' of Englander seeking quotes from companies outside the conspiracy."

Advertising and display materials include, but are not limited to, display stands, posters, banners, counter cards or sell sheets, used for the advertising or promotion of consumer goods, primarily in retail stores.

The prosecution of Diamond is the latest to arise out of an ongoing federal investigation of bid-rigging, commercial bribery, and tax-related offenses in the point-of-purchase advertising and display industry. The investigation is being conducted by the Antitrust Division's New York

(more)

Field Office, with the assistance of the Federal Bureau of Investigation and the Internal Revenue Service Criminal Investigation Division.

As a result of the investigation, 22 individuals and 9 corporations have already pleaded guilty to various federal charges. Earlier prosecutions have involved personnel at Philip Morris, Inc. (New York City), Heublein, Inc. (Farmington, Connecticut), Hiram Walker & Sons, Inc. (Southfield, Michigan), Warner-Lambert Co. (Morris Plains, New Jersey), Austin Nichols & Co., Inc. (New York City), Lorillard Tobacco Co., Inc. (Greensboro, North Carolina), and Domecq Importers, Inc. (Old Greenwich, Connecticut).

Diamond is charged with violating Section One of the Sherman Act, which carries a maximum penalty of three years imprisonment and a \$350,000 fine for individuals. The fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Anyone with information concerning bid rigging, bribery, or fraud in the advertising and display materials industry should contact the New York Division of the FBI at (212) 384-1000.

###